

To the Members of the California State Senate:

I am returning Senate Bill 23 without my signature.

Senate Bill 23 would require the Employment Development Department (EDD) to forward a notice about eligibility and enrollment for Healthy Families and Medi-Cal programs to all employers for purposes of distributing the information to all employees.

I agree with the overall objective of this bill – to increase enrollment of eligible children in the Medi-Cal and Healthy Families programs. In fact, the budget I signed funds a more effective and targeted enrollment effort. At my direction, the Healthy Families certified application assistance program that has proven to be an effective means to successfully enroll eligible children in the Healthy Families and Medi-Cal programs has been reinstated. I am concerned that the approach in SB 23 would be inefficient and ineffective. SB 23 requires the widespread distribution of a mandated notice to all employers, regardless of whether the employees and their families already receive health coverage or qualify for these public programs. This approach is not strategically designed to focus on the harder-to-reach and under-enrolled populations.

This bill would require the Managed Risk Medical Insurance Board (MRMIB) to develop a process by which family contributions to the Healthy Families Program may be deducted from a financial account and a process for deduction from an applicant's pay. These regulations are unnecessary. MRMIB has had an electronic fund transfer mechanism in place for more than a year. In addition, MRMIB anticipates implementation of payroll deduction system in 2006.

Finally, this legislation does not include resources to fund the outreach, marketing, and additional reporting activities, activities that cannot be absorbed by affected departments in light of current state budgetary constraints.

Sincerely,

Arnold Schwarzenegger